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Released Pursuant to \$1090.27 (j) and \$1090.85, USDA
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY AUGUST 1964

The MINIMUM uniform producer price is \$4.51 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%.

During August, 78.0% of the total producer milk was priced in Class I at \$5.05 per cwt. with a butterfat differential of 7.5 cents and 22.0% in Class II at \$2.66 per cwt. with a butterfat differential of 6.8 cents. The daily average use of Class I milk increased 3.5% compared with July 1964 and increased 8.4% compared with Aug. 1963.

Daily average delivery of milk from producers was 591,226 pounds in August 1964, an increase of 54,467 pounds per day compared with July 1964 and an increase of 53,487 pounds compared with August 1963. Percentage-wise, August deliveries increased 10.1% and 9.9% compared with July 1964 and August 1963 respectively. The daily average farm delivery was 863 pounds compared with 774 pounds per farm for August 1963. This shows an increase of 89 pounds (10.3 gallons) per farm per day.

MILK SAMPLES TESTED - Producer Fresh Samples 5,454 - Handler Finished Products 182.

TWO COOPERATIVES - FEDERAL ORDER NO. 90

An application by the Knoxville Milk Producers Association to operate as a qualified cooperative association under the terms of Federal Order No. 90 was approved by the USDA Cooperative Qualification Branch effective August 1, 1964. The Knoxville Association has now assigned certain milk producers to Chattanooga area pool plants. Prior to the qualification of the Knoxville Association under the Chattanooga order, the Chattanooga Area Milk Producers Association was the only cooperative qualified under \$ 1090.15 and \$ 1090.85 of Federal Order No. 90 regulating the handling of milk in the Chattanooga marketing area.

MILK BASE RULES

The following rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% August 1964 Over August 1963	Aug. 1964	July 1964	Aug. 1963
Number of Plants (Pool and Non-Pool)		13	13	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Deliveries	+ 9.9	591,226	536,759	537,739
Other Source	+ 18.4	22,138	18,333	18,694
Other Order	- 27.8	21,958	20,383	30,428
Total Milk Receipts	+ 8.3	635,322	575,475	586,861
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 8.1	371,261	365,962	343,581
Fluid Skim	+ 3.3	21,453	22,318	20,770
Buttermilk	- 6.2	43,466	44,478	46,340
Flavored Milk and Drink	+ 2.8	14,251	13,675	13,857
Fluid Cream (Sweet and Sour)	- 4.5	2,648	2,736	2,774
Bulk to Non-Handlers		12,134	-	1,417
Shrinkage Class I		1,074	2,714	1,690
Other		-	(1,208)	(202)
Total Class I Milk	+ 8.4	466,287	450,675	430,227
Class II Uses:				
Butter	+255.3	1,439	455	405
Cottage Cheese	- 4.1	20,586	23,608	21,462
Powdered and Condensed Milk	- 6.1	63,728	36,826	67,836
Ice Cream	- 7.6	57,905	51,862	62,656
Stockfeed	- 14.5	5,536	6,636	6,477
Shrinkage Class II		9,272	9,804	9,798
Other		10,569	(4,391)	(12,000)
Total Class II Milk	+ 7.9	169,035	124,800	156,634
Total Class I Pounds in Area	+ 4.9	278,157	267,084	265,078
Total Class I Pounds Outside Area	+ 13.9	188,130	183,591	165,149
Gross Class I Butterfat Pounds	+ 10.3	16,560	16,021	15,014
Gross Class II Butterfat Pounds	+ 0.3	7,705	5,785	7,683
Total Butterfat Pounds	+ 6.9	24,265	21,806	22,697
% Producer Milk of Gross Class I		126.8	119.1	125.0
% Producer Milk priced in Class I		78.0	83.2	78.8

SEPTEMBER 1964 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Sept. '64	Aug. '64	Sept. '63
Basic Formula	\$3.15	\$3.12	\$3.10
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.10)	0.18	(0.24)
Class I Price, 3.5% Butterfat	\$4.80	\$5.05	\$4.61
Per \$ 1090.51(a)			

Supply-Demand Comparison: 1st and 2nd preceding months: July and August

Supply: Lbs. Producer Milk (July 16,639,535 and Aug. 18,328,019) 34,967,554

Demand: Lbs. Net Class I Milk (July 13,879,333 and Aug. 14,342,280) 28,221,613

Utilization Percentage: Producer milk divided by Class I 124

Standard Utilization Percentage: Range 115-119 119

Net Deviation Percentage: Utilization minus Standard Utilization plus 5

Supply-Demand Adjustment: 2 cents x 5 percentage points minus \$0.10

Since the supply in relation to the demand is more than the desired standard, the price is decreased 10 cents per hundredweight (2 cents x 5 percentage points).

COMPUTATION OF WEIGHTED AVERAGE PRICE TO BE USED FOR PAYMENT
OF PRODUCER MILK AND OTHER SOURCE RECEIPTS PRORATED TO CLASS I

AUGUST 1964	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Value
Gross Class I		14,454,901	3.552		
Less Other Source		155,731	2.231		
Producer Milk Class I	78.0	14,299,170	3.565892	\$5.099419	\$729,174.59
Gross Class II		5,240,077	4.558		
Less Other Source		1,211,228	2.140		
Producer Milk Class II	22.0	4,028,849	5.285033	3.873822	156,070.44
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	18,328,019	3.943792		885,245.03
Add Fractional Adjustment					.03
Add Value of Overage					21.24
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		43,110	2.099281	3.999461	1,724.17
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,301.38
TOTAL VALUE AT TEST		18,371,129	3.939464	4.873363	895,291.85
Less Test over 3.5% @ 7.2¢ per point		18,371,129	.439464	0.316414	58,128.82
TOTAL VALUE AT 3.5%		18,371,129	3.5	4.556949	837,163.03
Less Producer-Settlement Fund Reserve		18,371,129		.046949	8,625.06
WEIGHTED AVERAGE PRICE f.o.b. POOL PLANTS		18,371,129	3.5	\$4.51	\$828,537.97

AUGUST 1964 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.15	3.6	\$4.582	4.2	\$5.014	4.8	\$5.446	5.4	\$5.878
3.05	4.186	3.65	4.618	4.25	5.05	4.85	5.482	5.45	5.914
3.1	4.222	3.7	4.654	4.3	5.086	4.9	5.518	5.5	5.95
3.15	4.258	3.75	4.69	4.35	5.122	4.95	5.554	5.55	5.986
3.2	4.294	3.8	4.726	4.4	5.158	5.0	5.59	5.6	6.022
3.25	4.33	3.85	4.762	4.45	5.194	5.05	5.626	5.65	6.058
3.3	4.366	3.9	4.798	4.5	5.23	5.1	5.662	5.7	6.094
3.35	4.402	3.95	4.834	4.55	5.266	5.15	5.698	5.75	6.13
3.4	4.438	4.0	4.87	4.6	5.302	5.2	5.734	5.8	6.166
3.45	4.474	4.05	4.906	4.65	5.338	5.25	5.77	5.85	6.202
3.5	4.51	4.1	4.942	4.7	5.374	5.3	5.806	5.9	6.238
3.55	4.546	4.15	4.978	4.75	5.41	5.35	5.842	5.95	6.274

NUMBER OF FARM PAYROLL ACCOUNTS

	1963					1964							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
New	3	7	2	0	2	3	3	1	1	3	2	2	30
Quit	5	8	7	5	3	3	3	6	21	7	1	2	0
Total	695	694	689	684	683	683	683	678	658	654	655	655	685

THE FOLLOWING POOL AND NON-POOL PLANTS FILED A REPORT FOR AUGUST 1964

POOL PLANTS

Chattanooga Area Milk Producers Association
The New Grant-Patten Milk Co., Inc.
Happy Valley Farms, Inc.
Home Stores, Inc.
Mayfield Dairy Farms, Inc.
Ray Moss Farms, Inc.
Paramount Dairies, Inc.
Sealtest Foods-Southern Division

NON-POOL PLANTS

Nance Dairy, Inc.
French Broad Dairy, Inc.*
Miss Tennessee Dairies, Inc.*
Sealtest Foods-Southern Division*
Stoffell's Dairy, Inc.*

* Regulated pool plants under
Knoxville Order No. 101

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Aug. '63	\$4.26	-	-	7.2¢	\$4.72	7.5¢	\$2.66	6.7¢
Sept.	4.30	-	-	7.4	4.61	7.5	3.20	6.9
Oct.	4.42	-	-	7.6	4.63	7.8	3.15	6.7
Nov.	4.69	-	-	7.4	4.88	7.6	3.13	6.7
Dec.	4.62	-	-	7.4	4.97	7.6	3.12	6.7
Jan. '64	4.77	-	-	7.2	4.97	7.5	3.12	6.7
Feb.	4.78	-	-	7.4	4.98	7.5	2.82	6.7
Mar.	4.77 ^{2/}	\$4.92	\$2.71	7.4	5.07	7.5	2.75	6.7
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	4.78 ^{2/}	5.00	2.62	7.4	5.19	7.5	2.66	6.7
July	4.72 ^{2/}	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	-	-	-	-	4.80	7.7	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE		PRICE QUOTATIONS			BASIC FORMULA	
	FORMULAS \$-cwt-3.5%		4 Tenn.	Chi.92°	Chi.Area	Minn.-Wisc.	
	4 Tenn.	Butter	Milk Mfg.	Butter	Powders	Mfg.Grade Milk	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
Aug. '63	2.66	3.12	3.000	57.97	14.07		3.10
Sept.	2.66	3.20	3.000	59.70	14.18		3.12
Oct.	2.73	3.15	3.070	58.48	14.18		3.15
Nov.	2.80	3.13	3.138	58.09	14.26		3.16
Dec.	2.82	3.12	3.150	58.01	14.28		3.16
Jan. '64	2.82	3.12	3.150	57.97	14.30		3.17
Feb.	2.82	3.12	3.150	57.97	14.24		3.16
Mar.	2.75	3.12	3.081	57.97	14.25		3.15
Apr.	2.69	3.12	3.025	57.97	14.19		3.12
May	2.66	3.12	3.000	57.97	14.22		3.12
June	2.66	3.12	3.000	57.97	14.24		3.11
July	2.66	3.12	3.000	58.00	14.23		3.12
Aug.	2.66	3.19	3.000	59.51	14.30		3.15

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}			Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----	Pounds	
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base Exc.	
Aug. '63	14	586,869	430,310	423,917	537,729	-	695	774	- -	4.00
Sept.	14	593,494	450,863	445,015	559,667	-	694	806	- -	4.02
Oct.	14	557,444	477,892	471,754	531,484	-	689	771	- -	4.20
Nov.	14	541,145	477,597	472,618	517,129	-	684	756	- -	4.29
Dec.	14	554,904	443,411	438,851	519,303	-	683	760	- -	4.42
Jan. '64	13	568,237	487,184	482,468	532,316	-	683	779	- -	4.32
Feb.	13	575,767	497,493	491,469	533,555	-	683	781	- -	4.24
Mar.	13	578,062	476,604	472,818	533,163	498,683	678	786	736 50	4.15
Apr.	13	611,855	486,373	482,479	556,140	499,659	658	845	759 86	4.04
May	13	624,622	466,407	462,735	558,544	497,039	654	854	760 94	3.95
June	13	584,475	452,425	449,604	530,134	482,265	655	809	736 73	3.91
July	13	575,475	450,675	446,512	536,759	476,599	655	819	728 91	3.91
Aug.	13	635,322	466,287	461,263	591,226	-	685	863	- -	3.94

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I